

**REPORT OF THE AUDIT OF THE  
FORMER PULASKI COUNTY  
SHERIFF**

**For The Year Ended  
December 31, 2001**



**EDWARD B. HATCHETT, JR.  
AUDITOR OF PUBLIC ACCOUNTS  
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## **EXECUTIVE SUMMARY**

### **AUDIT EXAMINATION OF THE FORMER PULASKI COUNTY SHERIFF SAM CATRON (Deceased)**

**For The Year Ended  
December 31, 2001**

The Auditor of Public Accounts has completed the former Pulaski County Sheriff's audit for the year ended December 31, 2001. We have issued an unqualified opinion on the financial statement taken as a whole. Based upon the audit work performed, the financial statement is presented fairly in all material respects.

#### **Financial Condition:**

Excess fees decreased by \$516 from the prior calendar year, resulting in excess fees of \$868 as of December 31, 2001. Revenues decreased by \$115,840 from the prior year and disbursements decreased by \$116,356.

#### **Deposits:**

The former Sheriff's deposits were insured and collateralized by bank securities or bonds.



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**EDWARD B. HATCHETT, JR.**  
**AUDITOR OF PUBLIC ACCOUNTS**

To the People of Kentucky

Honorable Ernie Fletcher, Governor

Gordon C. Duke, Secretary

Finance and Administration Cabinet

Debra Eucker, Commissioner, Department of Law, Revenue Cabinet

Honorable Darrell Beshears, Pulaski County Judge/Executive

Honorable Todd Wood, Pulaski County Sheriff

Members of the Pulaski County Fiscal Court

Independent Auditor's Report

We have audited the accompanying statement of receipts, disbursements, and excess fees of the former Sheriff Sam Catron (Deceased) of Pulaski County, Kentucky, for the year ended December 31, 2001. This financial statement is the responsibility of the County Sheriff. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, and the Audit Guide for County Fee Officials issued by the Auditor of Public Accounts, Commonwealth of Kentucky. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1, the County Sheriff's office prepares the financial statement on a prescribed basis of accounting that demonstrates compliance with the modified cash basis and laws of Kentucky, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the receipts, disbursements, and excess fees of the former County Sheriff for the year ended December 31, 2001, in conformity with the modified cash basis of accounting.

To the People of Kentucky  
Honorable Ernie Fletcher, Governor  
Gordon C. Duke, Secretary  
Finance and Administration Cabinet  
Debra Eucker, Commissioner, Department of Law, Revenue Cabinet  
Honorable Darrell Beshears, Pulaski County Judge/Executive  
Honorable Todd Wood, Pulaski County Sheriff  
Members of the Pulaski County Fiscal Court

In accordance with Government Auditing Standards, we have also issued our report dated July 28, 2003, on our consideration of the former County Sheriff's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Ed Hatchett", with a long horizontal flourish extending to the right.

Edward B. Hatchett, Jr.  
Auditor of Public Accounts

Audit fieldwork completed -  
July 28, 2003



PULASKI COUNTY  
 SAM CATRON, FORMER COUNTY SHERIFF  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND EXCESS FEES

For The Year Ended December 31, 2001

Receipts

Federal Grant		\$ 103,500
State Grants		6,988
State - KLEFPF		86,454
State Fees For Services:		
Prisoner Transfer	\$ 13,828	
Finance and Administration Cabinet	27,023	
Cabinet For Human Resources	<u>1,610</u>	42,461
Circuit Court Clerk:		
Sheriff Security Service	\$ 29,692	
Fines and Fees Collected	<u>11,799</u>	41,491
Lake and Park Patrol		23,564
Fiscal Court		417,421
County Clerk - Delinquent Taxes		5,402
Commission On Taxes Collected		431,520
Fees Collected For Services:		
Auto Inspections	\$ 34,745	
Accident and Police Reports	283	
Add On Fees	60,196	
Special Fees	3,707	
Serving Papers	48,638	
Carrying Concealed Deadly Weapon Permits	19,680	
Miscellaneous Fees	<u>7,142</u>	174,391
Other:		
Jury Meal Reimbursement	\$ 1,528	
Adanta Security	35,937	
Bank Security	<u>13,970</u>	51,435

The accompanying notes are an integral part of this financial statement.

PULASKI COUNTY  
 SAM CATRON, FORMER COUNTY SHERIFF  
 STATEMENT OF RECEIPTS, DISBURSEMENTS, AND EXCESS FEES  
 For The Year Ended December 31, 2001  
 (Continued)

Receipts (Continued)

Interest Earned	\$ 5,465
Borrowed Money:	
State Advancement	<u>200,000</u>
Total Receipts	\$ 1,590,092

Disbursements

Operating Disbursements:

Personnel Services-

Deputies' Salaries	\$ 759,695
Part-Time Salaries	29,355
Other Salaries	155,090

Contracted Services-

Rental Space and Tower	2,231
Radio Maintenance	3,728

Materials and Supplies-

Office Materials and Supplies	28,843
Uniforms	13,473
Telephone	20,459
Camera/Film	11,095
KLEFPF Grant Paid To Fiscal Court	11,232
Dues	2,036

Other Charges-

Conventions and Travel	1,151
Carrying Concealed Deadly Weapon Permits	15,939
Jury Meals	208
Computer Maintenance	8,685
Postage	4,584
Mileage Paid To Pulso Leasing Inc.	178,719
Bonds	2,037
Return of Fugitives	4,632

Auto and Helicopter Expenses-

Insurance	8,170
Gasoline	5,176

The accompanying notes are an integral part of this financial statement.

PULASKI COUNTY  
 SAM CATRON, FORMER COUNTY SHERIFF  
 STATEMENT OF RECEIPTS, DISBURSEMENTS, AND EXCESS FEES  
 For The Year Ended December 31, 2001  
 (Continued)

Disbursements (Continued)

Capital Outlay:

Guns	\$	42,819
Radio		3,277

Debt Service:

State Advancement		<u>200,000</u>
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Total Disbursements		<u>\$ 1,512,634</u>
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Net Receipts		\$ 77,458
Less: Statutory Maximum	\$ 74,443	
Training Allowance	<u>2,147</u>	<u>76,590</u>

Excess Fees		\$ 868
Payment to County Treasurer - July 28, 2003		<u>868</u>

Balance Due at Completion of Audit		<u><u>\$ 0</u></u>
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The accompanying notes are an integral part of this financial statement.

PULASKI COUNTY  
NOTES TO THE FINANCIAL STATEMENT

December 31, 2001

Note 1. Summary of Significant Accounting Policies

A. Fund Accounting

A fee official uses a fund to report on the results of operations. A fund is a separate accounting entity with a self-balancing set of accounts. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fee official uses a fund for fees to account for activities for which the government desires periodic determination of the excess of receipts over disbursements to facilitate management control, accountability, and compliance with laws.

B. Basis of Accounting

The financial statement has been prepared on a modified cash basis of accounting which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Under this basis of accounting, certain receipts and certain expenditures are recognized as a result of accrual at December 31, 2001.

The measurement focus of a fee official is upon excess fees. Remittance of excess fees is due to the County Treasurer in the subsequent year.

C. Cash and Investments

At the direction of the fiscal court, KRS 66.480 authorizes the County Sheriff's office to invest in the following, including but not limited to, obligations of the United States and of its agencies and instrumentalities, obligations and contracts for future delivery or purchase of obligations backed by the full faith and credit of the United States, obligations of any corporation of the United States government, bonds or certificates of indebtedness of this state, and certificates of deposit issued by or other interest-bearing accounts of any bank or savings and loan institution which are insured by the Federal Deposit Insurance Corporation (FDIC) or which are collateralized, to the extent uninsured, by any obligation permitted by KRS 41.240(4).

Note 2. Employee Retirement System

The county officials and employees have elected to participate in the County Employees Retirement System (CERS), pursuant to KRS 78.530 administered by the Board of Trustees of the Kentucky Retirement Systems. This is a multiple-employer public retirement system that covers all eligible full-time employees. Benefit contributions and provisions are established by statute. Nonhazardous covered employees are required to contribute 5.0 percent of their salary to the plan. The county's contribution rate for nonhazardous employees was 7.17 percent for the first six months of the year and 6.41 percent for the last six months of the year. Hazardous covered employees are required to contribute 8.0 percent of their salary to the plan. The county's contribution rate for hazardous employees was 16.78 percent for the first six months and 16.28 percent for the last six months of the year.

PULASKI COUNTY  
NOTES TO THE FINANCIAL STATEMENT  
December 31, 2001  
(Continued)

Note 2. Employee Retirement System (Continued)

Benefits fully vest on reaching five years of service for nonhazardous employees. Aspects of benefits for nonhazardous employees include retirement after 27 years of service or age 65. Aspects of benefits for hazardous employees include retirement after 20 years of service or age 55.

Historical trend information pertaining to CERS' progress in accumulating sufficient assets to pay benefits when due is presented in the Kentucky Retirement Systems' annual financial report which is a matter of public record.

Note 3. Deposits

The former Sheriff maintained deposits of public funds with depository institutions insured by the Federal Deposit Insurance Corporation (FDIC). According to KRS 66.480(1)(d) and KRS 41.240(4), the depository institution should pledge or provide sufficient collateral which, together with FDIC insurance, equals or exceeds the amount of public funds on deposit at all times. In order to be valid against the FDIC in the event of failure or insolvency of the depository institution, this pledge or provision of collateral should be evidenced by an agreement between the Sheriff and the depository institution, signed by both parties, that is (a) in writing, (b) approved by the board of directors of the depository institution or its loan committee, and (c) an official record of the depository institution. These requirements were met, and as of December 31, 2003, the former Sheriff's deposits were fully insured or collateralized at a 100% level with collateral of either pledged securities held by the former Sheriff's agent in the former Sheriff's name, or provided surety bond which named the former Sheriff as beneficiary/obligee on the bond.

Note 4. Law Enforcement Fund

The Pulaski County Sheriff maintains a Law Enforcement Fund for drug money received from drug eradication. This fund had a balance of \$119,523 at December 31, 2001. These funds are restricted in their use and are not turned over to the fiscal court as excess fees.

Note 5. Grant Fund

The former Pulaski County Sheriff received a grant of \$149,999 from the Department of Justice to purchase radio equipment during calendar year 2000. The January 1, 2001 balance was \$3,277. During 2001, expenditures totaled \$500, which left a balance of \$2,777 in unexpended funds as of December 31, 2001.

Note 6. Subsequent Events

In April 2002, Sam Catron, Pulaski County Sheriff was assassinated. Jim McWhorter was appointed to finish out his term until the election in November 2002. Todd Wood was elected as the Pulaski County Sheriff.

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REPORT ON COMPLIANCE  
AND ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING BASED ON AN AUDIT OF THE FINANCIAL STATEMENT  
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS







**EDWARD B. HATCHETT, JR.**  
**AUDITOR OF PUBLIC ACCOUNTS**

To the People of Kentucky

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Members of the Pulaski County Fiscal Court

**Report On Compliance And On Internal Control  
Over Financial Reporting Based On An Audit Of The Financial  
Statement Performed In Accordance With Government Auditing Standards**

We have audited the financial statement of the former Pulaski County Sheriff Sam Catron (Deceased) for the year ended December 31, 2001, and have issued our report thereon dated July 28, 2003. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the former Pulaski County Sheriff's financial statement for the year ended December 31, 2001, is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the former Pulaski County Sheriff's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statement and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses.



Report On Compliance And On Internal Control  
Over Financial Reporting Based On An Audit Of The Financial  
Statement Performed In Accordance With Government Auditing Standards  
(Continued)

Internal Control Over Financial Reporting (Continued)

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statement being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of management and is not intended to be and should not be used by anyone other than the specified party.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Ed Hatchett", with a long horizontal flourish extending to the right.

Edward B. Hatchett, Jr.  
Auditor of Public Accounts

Audit fieldwork completed -  
July 28, 2003

